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SUBJECT: SED SESSION VII: CONCLUDING SESSION OF SED III,  
DECEMBER 13, 2007

REF: A. STATE 168294

- [1](#)B. BEIJING 7557
- [1](#)C. BEIJING 7579
- [1](#)D. BEIJING 7581
- [1](#)E. BEIJING 7593

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CHANNELS.

[1](#)1. (SBU) At the Concluding Session of the Third Round of the Strategic Economic Dialogue (SED), Vice Premier Wu Yi said the meeting was held during a critical period of Sino-United States relations and that it was a complete success. She summarized three important accomplishments: a focus on a comprehensive, long-term strategic approach in handling the bilateral economic relationship; reaching consensus on the interdependence of both economies and identifying mutual benefits (win-win outcomes); and delivering new vitality in managing the economic relationship. She emphasized the SED as a timely channel to implement the objectives of both President Hu Jintao and President George [1](#)W. Bush, to resolve conflicts, strengthen mutual trust, provide guidance for other bilateral forums at a tactical level, inject new vigor and impetus in deepening business relations, and prevent politicization of economic problems.

[1](#)2. (SBU) Wu emphasized that part of SED III's achievements included the signing of several agreements in areas such as food and product safety and safety of medical devices. She said the United States and China addressed several areas of mutual concern including the environment and bilateral investment. She noted the establishment of a joint Sino-United States Working Group on a 10-year plan for energy and environmental cooperation as a sign of strengthening bilateral relations in the area of energy and environmental cooperation. Wu concluded by thanking United States Treasury Secretary Henry M. Paulson for his work in ensuring the success of the SED.

[1](#)3. (SBU) Treasury Secretary Henry Paulson thanked Wu for her gracious hospitality, for her work on food and product safety agreements and initiative in the illegal logging and investment dialogue. Paulson emphasized that the tone of the Dialogue felt more comfortable, indicating that the relationship is maturing. He agreed with Wu that the SED

should be seen as focusing on long-term strategic issues, but that progress should also be seen at the United States-China Joint Commission on Commerce and Trade (JCCT) and other bilateral forums at the tactical level. He stressed the importance of direct communication on difficult issues and fostering a spirit of trust, emphasizing the need for better communication in the area of investment dialogue.

14. (U) Treasury has cleared this cable.

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